

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.



A280.3
EX82S

AD-33 Bookplate
(1-65)

NATIONAL

**A
G
R
I
C
U
L
T
U
R
A
L**



**LIBRARY A280.3
Ex82S**

71165

SUMMARY OF MARKETING EXTENSION CONFERENCES HELD
IN THE NORTH CENTRAL STATES.

Two marketing extension conferences were held in 1935 for marketing specialists from the North Central States. At the request of State Extension workers, livestock and grain marketing specialist, Economics Section, arranged the programs of the conferences and developed this summary on recommendations made by the specialists in attendance at the conferences.

The following report is a summary of two marketing extension conferences held in the North Central States during September and October, 1935. The purposes of the conferences were to consider problems and procedure in the field of marketing, and to make a preliminary step in the direction of coordinating the marketing extension activities of the region. The conference at Indianapolis, Ind., was attended by marketing extension specialists from the States of Ohio, Michigan, Illinois, Indiana, and Kentucky; specialists from Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Iowa, and Missouri attended the conference held at Ames, Iowa.

The programs of the conferences were identical and may be divided into four phases:

1. Brief reports by State specialists covering the type and extent of their respective extension programs, and a discussion of the programs.
2. An informal discussion of topics which had been previously submitted by those in attendance.
3. The report of committees which had been appointed in the various fields of marketing for the purposes of designating important problems involved, outlining coordinated programs of work on the basis of the problems designated, suggesting methods for conducting the programs, and making recommendations on needed research in the field.
4. A discussion of the activities in the field of cooperative credit by W. B. Silcox; a discussion of the problems in the field of economic extension, and an explanation of the new Agricultural Adjustment Planning Project by H. M. Dixon.

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

JUN 10 1964

C & R-PREP.

The specialists in attendance at these meetings asked that the discussions and committee reports be summarized and a report be prepared for distribution. This report will summarize and combine the discussion and reports from both groups, presenting first the discussion topics and a brief of the discussion that took place, and second the committee reports.

Topics and Discussion

Topic No. 1. - What should be included in the field of marketing; should the marketing specialist consider it his duty to give part of his time to electrical cooperatives, consumer cooperatives, cooperative oil and service stations, cooperative credit, etc.?

It was agreed that the field of agricultural marketing includes the selling of all farm products and the buying of whatever supplies and services are needed, such as coal, feed, seed, fertilizer, oil, insurance electricity, etc. The thought was expressed that marketing extension specialists probably will be more concerned in the future with the purchasing of farm supplies cooperatively than has been the case in the past, but that consumer cooperatives located in cities and operated for the benefit of urban people should be considered outside the field of agricultural marketing and, therefore, should be assisted by the colleges of commerce.

Sound economics should guide the activities of specialists, and wherever savings can be made for producers, that particular field should be considered suitable for marketing extension work. Whatever the program may be, extension work should be completely supported by research or fact-finding surveys. Most of the obstacles encountered by specialists in the marketing field have come as a direct result of inadequate research programs. Since the field of marketing is broad, discretion should be used in selecting projects, not only from the standpoint of research which may have preceded the extension program but also as to the timeliness of the work and the personality and qualifications of the extension workers.

Topic No. 2. - What kind of marketing research needs to be conducted to give extension work a more secure foundation, and how can marketing extension and research be best coordinated and conducted most effectively?

As to kinds of research needed, there was general agreement that research programs should attempt first of all to satisfy the demands being raised by farmers for needed information rather than to ignore or overlook these demands in determining marketing research projects. Extension specialists can be helpful in assisting research specialists in this respect. More willing cooperation will be attained if farmers are already interested in the problems.

Moreover, research men should continue to look ahead and expend additional effort in trying to anticipate the problems requiring study, so that issues may be met when demands arise. Thus, changes in transportation facilities and harvesting machinery are responsible for changes

71165

in the methods of marketing grain. Such changes should be studied as they develop.

For best results, marketing research and extension programs should be closely coordinated. Successful work is being conducted in those States where a specialist divides his time between both extension and research, as well as where the work is separated but the men work closely together, thus assisting each other in common problems.

In setting up the marketing and research extension programs, proper consideration should be given to special problems which may arise during the year and on which the extension specialist will need information. The extension specialist may sometimes be in the best position to carry on short-time research or emergency surveys because of contacts which are already established.

During the past few years there has been a growing tendency toward specialization along commodity lines, and this tendency should be encouraged. Thus research activities are being planned more in line with specific problems confronted in the different commodities.

Topic No. 3. - What methods can be employed to stimulate interest of farmers in their marketing problems comparable to their interest in production problems?

A number of reasons may be given why farmers in some instances have not shown as much interest in marketing as in production problems. Among these should be mentioned:

1. Some farmers have considered their job as one of production, and have tended to leave the marketing problems to the cooperative manager or the independent buyer.
2. Farmers generally are more familiar with the production end of their businesses than they are with marketing.
3. Part of the farmer's lack of interest in marketing and his distrust in it is due to misinformation he has received in the past.
4. Marketing deals with the field of economics, about which the average farmer's information is somewhat limited.

To meet the situation, several solutions were suggested:

1. Give assistance in helping farmers to become conscious of the marketing problems they face, and the economic background of such problems.
2. Tie up existing commodity marketing problems with production problems and practices.

3. Simplify all marketing and economic discussions so that they may be easily followed and understood, making sure that all economic terms and phrases are clearly explained.
4. Make more extensive use of charts and other illustrative material in the discussion of marketing and economic problems.
5. Give more assistance in planning education programs with county agents, club leaders, and Smith-Hughes teachers.
6. Whenever possible, make greater use of the farmers' market in teaching marketing information.
7. More research is needed in order to eliminate some of the controversy in the field of marketing.

Topic No. 4. - To what extent should extension projects be coordinated and intensified so as to result in a complete understanding of the production and marketing of a given commodity? How can the cooperation between specialists be accomplished most satisfactorily in this respect?

There should be closer coordination between the programs of marketing specialists and production specialists. Joint programs between the two have proved very effective in some instances. The presentation of outlook information relative to the commodity concerned serves as an excellent connecting link between production and marketing information. Farmers need to be taught an appreciation of the manner in which production and price cycles vary and the dependency of one on the other. Since price cycles are influenced by production cycles and the time of marketing, farmers need to understand this relationship and know when price fluctuations are likely to take place if higher seasonal market prices are to be obtained more frequently than has been the case in the past. Not only is the time of marketing important, but market demand, variety or kind of products to be marketed, as well as quality and quantity should be emphasized. Production practices are very closely tied up with these marketing problems, and can best be solved through the close cooperation of the marketing and production specialists in preparing their educational programs. Similar cooperation should also exist among research specialists, and in some instances research work on specific problems is being conducted in which the various departments contribute.

Topic No. 5. - To what extent may marketing specialists effectively participate in the agricultural-outlook program, and how can marketing and outlook information be combined into an effective program?

Outlook work applies to the whole field of agricultural economics. In fact, it serves as a connecting link between the various phases of agricultural economics, such as marketing, farm management, farm finance,

land utilization, foreign trade, and prices. It serves in the same capacity between the fields of economics and production. It is obvious, therefore, that all economic specialists should not only use it in connection with their particular fields of work, but should assist in the preparation of the annual and current State outlook publications.

Outlook information can be, and is, used very effectively in the discussion of many marketing problems such as time of marketing, supplies to be marketed during the various seasons of the year and their influence on price, effect of foreign supplies and demand on the domestic market price, and the influence of grades, weight, and quality on price at the time of marketing. Without the use of charts to illustrate information similar to the above, it is very difficult if not impossible to obtain a clear understanding of the same.

Topic No. 6. - What should be the attitude of the marketing specialist toward attending and participating in meetings called for the purpose of discussing controversial subjects such as direct to packer marketing of livestock and the itinerant trucker in the fruit and vegetable business?

Generally speaking, it should be the policy of extension specialists to attend and participate in meetings called for the purpose of considering controversial subjects. The specialist should acquaint himself with the facts and be prepared to discuss the question both pro and con, but should not allow himself to be forced into taking sides on the issue and, thereby, expose the college to unjust criticism. It goes without saying that it is necessary for the specialist attending such meetings to exercise good judgment and tact always. Furthermore, mass meetings which are apt to be dominated by decidedly biased interests might well be avoided by extension specialists, as there may be little gained by discussing the facts regarding the situation. In cases of this kind, the specialist may advantageously work with committees who are considering the problem.

Topic No. 7. - What should be the objective of marketing specialists in respect to the development of marketing facilities for each commodity?

The discussion following this topic gave evidence that not a great deal of emphasis has been placed on this particular problem by the marketing extension specialists throughout the region. The reason given for lack of attention to marketing facilities is that adequate local facilities exist generally throughout the area. In fact, many examples can be cited where there is duplication of facilities. However, adequate city and terminal marketing facilities for some commodities are recognized as a problem, and it was generally agreed that research specialists should study these situations carefully in order that the extension men may have the facts before taking an active part in a facility-building program. Such a program is recognized as one of long duration and of such a nature as to necessitate considerable thought and study to prevent many conspicuous mistakes.

Topic No. 8. - On what basis can the county agent contribute most to a marketing program? Can marketing extension work be conducted advantageously through 4-H clubs?

It was the observations of the group that in the past the part county agents have taken in marketing and other economic meetings has largely been that of scheduling dates, appointing committees, arranging for meeting places, and being present at the meetings, but not taking an active part in the programs or discussions. Examples were cited, however, where certain outstanding agents have carried on and have been responsible for very active marketing programs, especially in the field of cooperative marketing. Considerable emphasis was placed on the fact that in the future it will be necessary for county agents to discontinue considering economics as a "sideline" to their regular program, and that they will be expected to take a more active part in the solving of economic problems, even though it may be necessary for some of them to obtain additional training in this field. Mention was also made, in this connection, that specialists can do much in simplifying their subject matter and in helping to train county agents in order that they may take a more active part in economic programs.

A number of examples and illustrations were given where very effective marketing extension programs have been conducted through 4-H club leaders and vocational agricultural teachers. It was the general opinion of the group that this phase of their programs can be expanded to advantage. Those present who had had experience in working with these groups emphasized the necessity for simplifying the subject matter as much as possible and for guarding against making a too mature approach.

Topic No. 9. - Can the most effective marketing extension work be done by working with organized and unorganized farmers and informing them concerning marketing methods, quality programs, grades, market demand, prices, merchandising, etc., or by doing service work with "the trade" and cooperative agencies? If the specialist's time should be divided between these two methods, in what proportion should it be divided?

The most effective means of conducting marketing extension work will vary somewhat depending on the type of information involved. In this it must be kept in mind that it will be necessary to work with those individuals or groups of individuals who are in a position to act if results are to be obtained. If our goal is to help farmers get more money for the products they have for sale, it will be necessary to work with the unorganized as well as organized farmers in teaching them market demand, grades, and quality, as well as where and how to sell to best advantage. Much work needs to be done along this line and results can only be accomplished by working with the producers, as marketing agencies must market what they receive. However, assistance can be given marketing agencies in adopting policies, such as grading standards, which will assist in hastening the above. This along with a certain amount of service work with "the trade" and cooperative agencies is

desirable, but the attitude of the Extension Service should be that it behooves the marketing agencies to operate their own business and not rely on the extension system to manage their organizations for them.

Topic No. 10. - To what extent should local cooperatives, or local units of general farm organizations, serve as points of contact in organizing and projecting educational work in marketing?

Local cooperatives and their leaders, if situated in favorable economic environment, generally prove to be effective contacts for organizing and conducting educational work in marketing. This is true because in such a situation it is usually relatively easy to gain the voluntary aggressive action of responsible leaders and the active interest of a large number of farmers. Local units of general farm organizations also make effective points of contact if the leadership envisions the function of the general farm organization as the big brother of the cooperative, that is, in helping in the educational work but refraining from dictatorial policies. In short the extension specialist may cooperate to advantage with all organizations, in so far as they will work toward the objective in mind. However, it will be necessary for the specialist to have his program well in mind and work to this end, else he may find himself in the position of a publicity agent for the program of the organization with which he is cooperating.

Topic No. 11. - How far should the marketing specialist go in assisting to organize and develop new cooperatives and in servicing existing ones? In other words, how can the extension staff assist farmers' cooperatives in a practical way and not cause embarrassment for the college later on?

The job of the marketing specialist should primarily be to furnish information regarding the situation at hand. He should assist in determining whether or not the proposed project is economically sound, after which he should furnish the leaders with any technical information for which they have need, and assist in developing the leadership. The actual organization, financing, and operation of the entity should be left to the organization committee and officers. In other words, if overhead services are needed, they should be provided for on a commercial basis.

Topic No. 12. - What is the future of cooperative marketing for the various commodities, what economic benefits are possible through cooperation for each commodity, and what changes, if any, need to be instituted to insure progress in the next few years?

To succeed, any cooperative association must render a distinct economic service in the community. Failure will eventually come to all associations not providing such services. Insurance cooperatives may be cited as outstanding examples of success because of their simplicity of organization and distinct economic services rendered. Furthermore, cooperatives are more likely to survive in those communities and in handling those commodities where existing margins are wide. Here opportunity for rendering service is provided.

In the future more emphasis must be placed on well-trained managers, an adequate volume of business, and on keeping the membership informed concerning the activities of their associations, if progress is to be insured in the field of cooperation. All too often the volume of business of local cooperatives is so small as not to permit the hiring of a capable manager. This situation needs to be corrected through consolidation of cooperative business and by replacing incapable managers by those who have been well trained for the job. Training may be provided either by arranging for prospective managers to serve as apprentices under outstanding managers, or by receiving the necessary training at the State agricultural college, and preferably both. Special schools for managers and directors have been effective in most instances where tried.

The problem of membership relations has been one of the biggest confronting cooperatives in the past. Insufficient emphasis has been placed on keeping the membership informed. There has been too much of a tendency to appeal to the emotions of members in attempting to obtain their support, rather than appealing to the brains and business senses of the membership. Members should be kept informed of the problems confronting their association and the business practices that are being followed. In this the officers of the association, advisory committees, and the Extension Service all can help. Finally it should be remembered that the ultimate objective of cooperatives is to render a service to the membership, and not to build up individual records for management.

Topic No. 13. - Is it advisable to attempt to eliminate competition between cooperatives, and if so, what can the marketing specialist do to assist in bringing this about?

In discussing this topic differentiation was made between "fair" and "unfair" competition. It was the consensus of opinion that fair competition is as desirable between cooperatives as between cooperatives and independent organizations in order to promote efficiency and encourage progress. On the other hand, ruthless or unfair competition is undesirable and should be prevented if possible, as it only increases costs of operation and may result in the death of both competitors. Unrestrained competition is as bad for cooperatives as for private dealers. Therefore, if the opportunity is provided, the extension service can render a service by calling the officials of the two groups together for the purpose of talking over the situation. This has been done in some instances with the result that areas of operation on an economic basis have been established where both organizations were needed. In other cases and where both organizations were not needed, consolidation was the result. Regardless of the method employed, the entire membership gained for operating costs were reduced.

Topic No. 14. - What methods can be employed in establishing a working relationship with independent organizations and "the trade", which in the past has been more or less closed to extension work, and thereby overcome the criticism that marketing specialists work only with cooperatives?

Mention was made that in most instances independent organizations have been slow in asking for assistance from the Extension Service and frequently decline to cooperate if such cooperation involves any information regarding their finances or methods of doing business. However, a number of States reported exceptions to this rule and insisted that it should be the objective of extension specialists to assist all parties concerned in effecting efficiencies, because by so doing, either directly or indirectly, the farmer's net return will be increased. Consequently, the following suggestions were proposed for creating a better working relationship between the Extension Service and private dealers:

1. Independents often have educational programs in which extension specialists may cooperate to the mutual advantage of each. There may be an advantage in cultivating invitations to appear on the programs at independent conventions and meetings.
2. Problems selected for research should have something in them of interest to independents as well as co-operatives.
3. As independents and cooperatives have many problems in common, much good may result from conference in which such problems are attacked by both interests.
4. Since more or less of a barrier often exists between the private trade and the county agent, because of the agent's previous contacts with cooperatives, the extension specialist should be made available to the trade without having to be contacted through the county agent's office.

Topic No. 15. - To what extent can the marketing extension program in the Corn Belt States be coordinated and unified?

Doubtless, unification and coordination of marketing activities in the Corn Belt is desirable, but because of the nature of such an undertaking, progress will necessarily need to be slow, and there will be need for more frequent exchange of ideas and discussion of policies than has prevailed in the past. Furthermore, the marketing extension programs can be coordinated only if, and to the extent, that the marketing research programs of the several States are coordinated and unified. Though conditions differ somewhat in the various States, many problems are common to all. To a comprehensive solution of these problems the energies and experience of all should be given. This means that many of the research projects should be jointly planned and jointly conducted. Then if each State integrates its research and extension programs, a good beginning will have been made in coordinating and unifying the marketing extension programs. The commodity committees in this conference can open the way for coordinated programs of research and extension, but much additional planning and study will be required at regular intervals for a number of years.

Not only will the successful development of a coordinated marketing program call for the continuous utilization of larger resources in the States, but it will also require marked expansion of the research and extension facilities in marketing of the United States Department of Agriculture. There should be a sufficient number of workers at Washington for each major commodity to permit frequent contacts with each State, and the conducting of both research and extension projects on a cooperative basis. Without active assistance of the United States Department of Agriculture on a larger scale and more ample personnel in the States, progress toward a coordinated and unified Corn Belt program will be very slow.

Topic No. 16. - What is to be the future influence of the Agricultural Adjustment Administration program on marketing extension activities, and what will be its influence on marketing needs of the future?

The AAA has clearly demonstrated that effective local leadership is available or can be developed in most farm communities. Because of this active leadership which local farmers have assumed, the marketing specialists in some of the States expressed the belief that in the future they will be relieved of many of the responsibilities they have carried during the past 2 years in connection with the adjustment program. Specialists from other States believe that their time will necessarily have to be largely devoted to AAA activities during the coming year, and, therefore, little opportunity will be had for conducting marketing extension work. No statements were made on the probable influence of the AAA on marketing needs of the future.

Report of Livestock Marketing Committees

I. Major livestock marketing problems.

A. Decentralization of livestock selling.

1. Multiplication of market outlets with little or no coordination in their sales operations.
2. Duplication of local or community market facilities and market services, accompanying improved transportation developments.
3. Lack of reliable market-news service on price quotations, supplies, grades, and weights at interior markets.
4. Constant emphasis on the part of buyers that farmers need not maintain selling agencies to market livestock satisfactorily.

5. Alternative methods of transportation together with fluctuations in transportation rates, shrinkage and losses in transit, make it difficult to determine probable net return from alternative outlets.

B. The necessity for active participation by stockmen in maintaining open competitive livestock selling and in developing a more effective livestock marketing system, both terminal and interior.

1. Lessened patronage of terminal markets.
2. Changing economic conditions are bringing about radical changes in the cooperative movement of livestock from farm to market.
3. The lack of understanding by stockmen of the basic principles of livestock marketing including basis of competition between packers, the facts which influence livestock prices, the lack of knowledge of market classes and grades, variation in grading systems, the necessity for accurate market weights, the need for adequate information as to various market outlets and prices thereon, the assurance of financial responsibility of buyers, and functions and services of existing marketing agencies.
4. The farmer's responsibility in planning and executing his production operations with due regard to market preferences, time of marketing, and consumer demand.

5. Inadequate statistics of total movement of feeder cattle and sheep from range States to finishing areas and determining the best times to buy or sell feeders.
6. Lack of knowledge on the part of those employing cooperative effort in marketing livestock results in:
 - (a) Persistence of organizations below the optimum size and often with overlapping territories.
 - (b) Poor business methods resulting in inadequate records, no audits, and lack of intelligent control by directors.
 - (c) Retaining of inexperienced managers and lack of aggressiveness in merchandising.
 - (d) Incomplete support of farmers and lack of understanding of member's responsibility in cooperative enterprise.
7. Shifts arising from agricultural programs that must be considered in developing future marketing plans.

II. Research needed.

1. Business and membership relation problems of existing cooperative associations.
2. Factors, including agricultural adjustments, influencing economic changes in market areas.
3. Study consumer preferences and consumer demand for meats and meat products.
4. Study and analysis of grades and prices as between different markets.
5. Specific studies on distribution costs and margins of meat and meat products.
6. Study how market information can be made more effective for stockmen's use.
7. Studies to show the extent of motor-truck transportation, factors influencing shrinkage, and causes of losses in transit.

8. Determination of the most satisfactory type of livestock marketing organization for areas where direct marketing occurs and truck transportation is largely used.
9. Assemble adequate statistics on supplies, prices, and movement of feeder cattle.

III. and IV. Goals and methods.

The committee in this outline has attempted only in a broad way to define the field. It seems unwise, therefore, at this time to set up goals (other than that of bringing about a more thorough understanding of livestock marketing on the part of farmers) and to suggest methods of detailed procedure for carrying any part of this program into effect. Each State, however, should give consideration to such phases as may be in line with their available personnel and programs already established, with the view to expanding their programs to include new phases of work as conditions permit.

It is the opinion of the committee, however, that a closer contact should be maintained between States when programs of work are being planned. This would permit closer coordination in the building of more effective programs, both extension and research.

Report of Grain-Marketing Committees

The report logically divides itself for detailed recommendations into four main divisions:

- I. The important and urgent problems of marketing as applied to grain.
- II. The possibilities and limitations of coordination of efforts between States and regional areas.
- III. The probable applications of procedures and practices with the possibilities of their modification and amplification, and
- IV. Suggested development of unknown factors through research.

I. The economic trends, price fluctuations, outlook, and similar factors of the economics of agriculture as applied to production and marketing problems force an immediate recognition in marketing extension activities of the interrelation of all existing grain-marketing agencies, whether independent or cooperative.

The need for a greater number of contacts with more types of agencies, especially the independent agencies, is immediately apparent. The use of business analysis as a method of teaching the component factors of successful marketing is relatively new, but is a very sound procedure for discovering and disseminating practical marketing information and should be continued.

Grain marketing can not be separated as such from the other functions of a marketing agency in a community. The local elevator must be considered as an organic or biologic whole impossible of being separated into independent enterprises. It must be considered in its entirety. This implies joint relationships between the grain, side-line, feed-grinding, and other phases of the business.

The most expedient medium for assisting farmers in their agricultural marketing problems is the cooperative association in those communities where associations exist.

- A. The most fertile fields for extension activities and results lie in the following directions:
 1. Clarification of principles and practices of member and patron relationships.
 2. Constant reiteration of the principles of cooperation to managers, directors, members, and patrons.
 - (a) Assistance in raising the standard of management.
 3. Business analysis as the source of facts with which to illustrate principles.
 4. Assist organizations to reorganize on a truly cooperative basis.
 - (a) Teaching of corporate and cooperative law.
 5. Assist local elevators and farmers where feasible to utilize available space for storing feed grains at the point of production.
 - (a) Insurance against short crop.
 - (b) For movement to deficit feeding areas when and where needed.
 6. Assistance in the adjustments of the local agency to changing times, especially as to:

- (a) Factors affecting quality of grains such as processing and grading methods, etc.
- (b) New retail services in farm supplies, and
- (c) Outside factors affecting the possibilities of local services, such as changes in transportation methods, etc.

This requires continuous research and extension projects to run concurrently.

B. In attacking these major problems successfully, three limiting factors in our present procedures stand out:

- 1. Research activities need to recognize the prevalence of both temporary and long-time problems that need substantiating facts to demonstrate principles.
- 2. A greater correlation is necessary between research and extension and can be attained by both divisions becoming familiar with and using the methods of each.
- 3. The efficiency of extension personnel should be increased by the use of more clerical help in the compilation and interpretation of statistical data relevant to our problem.

II. Coordination of methods between States and areas with its accompanying goals seems futile when applied to specific problems or procedure, except where the problem itself is interstate in character. The adaptation of the procedure to the principle and the problem will vary with the social habits of the community and the human characteristics of the person attempting the solution with the group.

Consequently, the means of coordination immediately possible appears to be through:

- A. The creation of a medium where ideas and practices used in attacking specific problems in specific areas by the specific extension specialist and research man can be exchanged, and
- B. Extension research studies by State and Federal Extension Services concerning the efficiency of the various marketing extension methods.

III. The probable application of procedure and practices used in attacking grain-marketing problems will continue to be those proved successful procedures used in the past:

- A. Group teaching through the medium of managers, boards of directors, annual meetings, county programs, tours, etc.
- B. Use of charts, bulletins, etc., in demonstrating quality-producing factors at grading demonstrations.
- C. Business analysis to demonstrate efficiency factors of local agencies in meeting competition, etc.

IV. The suggested development of unknown factors of grain marketing through research brings to the foreground the outstanding problem of adjustment of our present marketing agencies to changing conditions about which there is probably the greatest amount of unknown data, namely, the effect of truck transportation on our markets and marketing facilities, comparative efficiency of transportation agencies, combines, legislation, need for clearing information between surplus and deficit areas which would permit the movement of grain at lower handling costs, etc.

Other research problems are apparently more local in nature and application. These should be developed primarily through coordination of efforts and aims of the State extension and research departments. The quality problem must be handled jointly by the agronomy, farm-management, and marketing departments. Representatives of each department should appear on joint programs.

Report of Poultry and Egg-Marketing Committees

I. The problems in connection with poultry and egg marketing vary widely not only from State to State within the Corn Belt, but also from one farming type area to another within the States. They may be briefly summarized as follows:

- A. Small farm flocks and mixed breeds of poultry make marketing on a quality basis almost impossible in some sections.
- B. Other than in a few commercial egg-producing sections, low-quality eggs predominate throughout the Corn Belt. Low quality is the result of both production and handling practices employed.
- C. The lack of uniform grading practices and buying on a case-count basis on the part of dealers discourage quality production.
- D. Great variation in seasonal production of eggs. This is not characteristic of other sections of the country, and should be corrected in the Middle West.

II. Agencies through which to conduct poultry-marketing programs.

A. Because of the nature of the problems involved and to facilitate the specialists' limited time in conducting the program, the work should be conducted in cooperation with and through the following agencies:

1. General farm organizations.
2. Existing cooperatives dealing with poultry and egg marketing.
3. Private trade agencies dealing with poultry and egg marketing.
4. Consumer groups on the market.
5. Producer poultry-improvement groups.
6. Hatcheries.
7. County agricultural agents.
8. Poultry-production specialists.

B. Methods of approach:

The extension program in poultry and egg marketing may be conducted through the following channels:

1. General meetings to teach farmers how to produce and market high-quality eggs.
2. Demonstrating grading eggs and poultry.
 - (a) Use of trade representatives when possible.
3. Exhibits through fairs, at association meetings, etc.
4. Tours through assembling, grading, and packing plants, or to hatcheries and farms producing high-quality products. (Such tours should be held in cooperation with the production specialist.)
5. Publicity. (General press, news-letters, radio, etc.)
6. Educational meetings for consumer groups on quality, grades, price factors, distribution costs, etc.
7. Provide producers with timely economic information about the poultry industry.

C. Project material.

The following materials should assist in the conduct of an effective educational program in poultry and egg marketing.

1. Demonstration materials showing grades and standards, equipment used in grading eggs, kinds and types of containers, etc.
2. Charts showing production and price trend cycles, seasonal price variation, poultry and egg feed-price ratios, etc.
3. Printed or mimeographed materials showing grades, price facts, etc.

III. Goals.

Goals to be striven toward in the next few years are as follows:

- A. All producers informed as to principles involved and facts relating to poultry and egg marketing.
- B. Uniformity of grades between States, uniform egg-grading laws in all States in the area.
- C. All eggs bought from producers on candled and graded basis.
- D. Improvement in the finish and quality of live and dressed poultry.
- E. Dissemination of information as to desired market grades and standards followed by adoption of definite grades and standards.
- F. Development of concentrated limited areas of production whereby volume of production would be adequate to make possible an effective marketing program.

IV. Needed research from an extension worker's point of view.

- A. Costs of transportation, comparison of existing transportation facilities available for an area, comparison of costs of truck versus rail transportation of eggs to more distant terminal markets. Costs of local assembling of poultry and eggs from various distances and in areas of varying intensity of production.
- B. Consumer and trade requirements (quality). Consumer demand and preferences in different markets as to quality and grades.

- C. Factors affecting the maintenance of quality from production to the time of consumption.
 - D. Current studies of marketing systems and agencies, and the policies and practices in effect on different markets.
 - E. Studies of distribution channels and costs in the light of reducing costs.
 - F. More adequate information relative to price movements, production, available supply, and storage movement. Development of adequate and suitable price barometers.
 - G. Studies should be made as to the feasibility of grades, whether such grades should be State or Federal, whether they should be optional or compulsory, and whether they should be the responsibility of the buyer, assembler, jobber, or retailer.
 - H. Study the different type of market organizations as a basis for the determination of the best type of market organization for a given community.
- V. Suggestions for coordinating State programs.

The marketing extension program in the various States represented should be coordinated in so far as the regional difference in type of production, kinds of facilities, transportation facilities, distances from markets, etc., will permit. Certain phases of the work dealing with poultry and egg marketing will, because of the regional differences in the industry, have to be developed independently to meet local situations and needs and the personnel available to do the job.

As a means of facilitating this coordination of programs, the following suggestions are submitted:

- A. An exchange between State specialists in the area of annual programs of work, and brief summaries of the results or lack of results obtained in these projects should be effected.
- B. Meetings of specialists engaged in marketing extension work should be continued as an annual feature.
- C. Specialists should prepare, prior to such annual meetings, outlines of projects under way, together with statements of major problems in connection with the programs.
- D. Outlines of projects under way and of major problems should be submitted to the Economics Section, Federal Cooperative Extension Service for use in formulating a program for the next extension meeting.

- E. Reports similar to the one recently prepared by W. B. Stout and W. C. Ockey on "The Summary of Marketing Extension Activities", are very helpful in bringing about unification of the extension marketing programs in the various States.
-

Report of Dairy-Marketing Committee

I. Problems in the field of dairy marketing.

A. Problems to be solved in reducing costs of manufactured dairy products.

1. Reorganization of trade territories to reduce assembling costs.
2. Consolidation or relocation of plants to provide sufficient volume for efficient operation.
3. Improve management in existing plants or those resulting from above activities.
4. Where the local functions are performed by cooperatives, it will be a constant problem of the marketing specialist to assist in keeping the association operating cooperatively; in exploiting indicated economies; in utilizing modern cooperative devices in organization, both legal and financial; in maintaining proper member relationships; and in adopting an industrial point of view in their organization.

B. Fluid-milk marketing problems.

1. Lack of understanding among producers of the factors affecting price and how market prices are determined.
2. The adjustment of market prices and volume of fluid and surplus milk.
3. Excessive costs in transportation and distribution of milk.
4. Improvement of the quality of milk sold on city markets for fluid-milk purposes.
5. Bringing about a balance among producers in the production of market milk and cream, and milk and butterfat for manufacture.

II. Methods of conducting program.

- A. The education of producers as to their best interest should be undertaken as a part of a long-time program.
 - 1. Hold at least one meeting a year in each important dairy county with 30 to 50 farmer leaders.
 - 2. Encourage meetings for general discussion of price relationships. Outlook material and other such information may be used as a basis for a program in dairy marketing extension.
- B. Maintain close contact with boards of directors and managers of individual dairy cooperatives, especially during the early period of their development.
- C. Hold meetings of consumer representatives on the markets for the purpose of discussing the price of fluid milk, the fundamentals underlying the determination of prices, and other specific marketing problems.
- D. Participate in annual and advisory council meetings of milk producers.
- E. Have frequent informal conferences with presidents and managers of dairy cooperatives, members of State and Federal milk-control boards, members of boards of health and dealer representatives.
- F. Much assistance can be given managers in their operative, processing, and financial problems.
- G. The work of marketing and production specialists should be coordinated in order to obtain best results.

III. Problems needing additional research.

- A. Studies regarding the sale and handling of manufactured products for the purpose of:
 - 1. Handling the product at the lowest possible cost.
 - 2. Considering demands of the market so that a higher price may be received, or that more of the product may be sold at the same price. This would necessitate the rationalization of production and processing to take advantage of market demands.
- B. Study of State and city codes for the purpose of combining the desirable features of each.
- C. Continued studies for determining practical methods for reducing transportation cost.

- D. Continued studies of price structures for buying and selling milk.
 - E. Determination of economic price relationship for milk in fluid and surplus uses.
 - F. Determination of methods which are most practical in disseminating research information to farmers.
 - G. Initiate studies to assist in bringing about more efficient distribution of milk and cream.
 - H. Determine best methods for improving quality of milk and cream (from technical department).
- IV. Coordination of programs.

The problems of local processing units and fluid-milk markets may not lend themselves to cooperative projects between the States. Each State has peculiar problems which may best be solved by individual action. However, the committee urges that the workers in the various States keep in touch with each other and derive mutual benefit from the exchange of information.

Report of Fruit and Vegetable Marketing Committees

- I. Problems brought about by the changing transportation situation and the increased movement of fruits and vegetables by trucks.
 - A. The situation.
 - 1. Price cutting in order to unload rapidly, avoid losses and in some cases a lack of consideration of overhead costs, all of which tends to reflect in a lower price to the farmer.
 - 2. Lack of information as to the amount of a commodity that will appear at a given market with the resultant tendency to rush in to markets on hearsay evidence of a favorable price situation, glutting the market, and bearing down the price with the result that dealers tend to take wider margins in order to make their profits secure.

B. Suggested procedure.

1. The Extension Service might tabulate prices paid daily by buyers during a given marketing season and broadcast same daily, giving the farmers information as to the price, and the consumer information as to the proper time to purchase his supplies.
2. Efforts should be made to interest State market directors and the Crop Reporting Service of the U. S. D. A. to formulate a plan whereby truck movements to key markets can be reported the same as rail movements, and this information furnished to the trade.
3. Extension can assist in developing sentiment for a coordination of State and Federal inspection and the making of this inspection service readily available to all transportation agents with a view to correcting the abuses of off-grade products reaching the market.
4. Education of the consumer in knowing grades and varieties and in calling for the same should be undertaken. This might be accomplished in part through radio talks, consumers' meetings, and exhibits in retail stores.
5. The extension agent may aid the association managers in getting an understanding of trucking operations so that they may use it to advantage. He can acquaint the managers with market opportunities in the smaller towns which can be reached by truck, but which have not been reached while rail shipping prevailed as the sole outlet.

II. Development of markets within a reasonable distance of a producing area.

A. The situation.

1. In recent years there has been an increasing tendency to move certain fruits and vegetables to distant consuming markets, neglecting or finding it difficult to get the produce merchandized in what might be termed home markets. This has been partly responsible for the situations existing in which the farmer gets a smaller percentage of the consumer's dollar than in the past, and the consumer complains about the high cost of the commodity, believing that the farmer must be getting the benefit of the price he pays.

B. Suggested procedure.

1. We believe that this is a field where the extension specialist in marketing can do much by studying the situation, analyzing the reasons why this situation exists, and, through aiding in the correction of abuses in grading, he can create a better understanding of the situation among producers, consumers, and market agencies. This may tend to develop additional market outlets within the range of low transportation costs which will benefit both producer and consumer.
2. Displays to show the quality of local produce so that the consumer will learn to select and insist on graded produce may be an effective method to follow, since it is the dumping of ungraded local produce which has given it a bad reputation and so has destroyed the local market for it.

III. Roadside markets.

A. The situation.

1. The increasing number of roadside markets in some sections has already been recognized as one of the extension problems. Farmers are asking for information relative to the operation of such markets.

B. Suggested procedure.

1. The marketing specialist can indicate to the interested farmers the nature and experience of such markets in other places. He can arrange for contacts which will enable the farmer to learn for himself directly from others who operate such markets. The goal of the specialist should be to cause the farmer to investigate the operation of other markets, so that losses may be avoided which occur from over-investment in equipment in out-of-the-way places, and so that uniformity in markets may be obtained to encourage the purchaser to patronize these markets.
2. The marketing specialists are in need of additional research information along this line, as well as knowledge of what has been done in other States. Some kind of a bibliography seems desirable, as well as the interchange of information at sectional conferences.

IV. Variation in production.

A. The situation.

1. Fruit and vegetable production is subject to considerable variation from year to year, as may well be illustrated by either potatoes or strawberries. The perishable nature of the product as well as the seasonal harvest requires that market information be made available in order that market gluts in some towns and scarcity in others may be remedied.

B. Suggested procedure.

1. In some States the specialist has given daily radio broadcasts calling attention to the availability of the product, preparation of the product for market, use, and price at various places of a given commodity. It seems that this is a service which might be expanded. The added demand for products so treated has been evident and in view of the prevalence of radios, it seems that this new means of reaching the public deserves attention.

V. Quality and consumer preference for potatoes.

A. The situation.

1. Studies made of consumer preferences for potatoes indicate that there is something wrong or lacking in midwestern potatoes as they are offered to consumers, and that the Midwest is losing the demand for better quality potatoes. This suggests the need of finding the facts in regard to quality of midwestern potatoes offered to consumers before inaugurating any extensive plan of marketing.

B. Suggested procedure.

1. Scientific cooking and baking tests of potatoes produced on various soil types under varying cultural and climatic conditions to determine their desirability for their various uses, and their ability to retain such quality for a satisfactory period of time after preparation.
2. Chemical tests and studies to determine the reason and remedy for discoloration in potatoes after cooking.
3. Studies of inspection certificates to determine the percentage of defects and the nature of such defects, whether due to soil, cultural or harvesting practices for the various producing sections.

4. Varieties of potatoes best suited to the various sections which possess the qualities desired by consumers, and the encouragement of the use and distribution of such seed.
5. When consumer objections have been eliminated, consumers should be reached with a factual program of education of the quality of potatoes offered them through advertising, exhibits, and housewife's leagues.

The successful projection of the above program requires the interest and cooperation of the department of home economics, bio-chemistry, pathology, and crop production.



